

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**July 12, 2005**

<b>IN RE:</b>	)	
	)	
<b>APPLICATION OF UCN, INC. FOR A</b>	)	<b>DOCKET NO.</b>
<b>CERTIFICATE TO PROVIDE COMPETING</b>	)	<b>05-00050</b>
<b>LOCAL TELECOMMUNICATION SERVICES</b>	)	

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**INITIAL ORDER GRANTING CERTIFICATE OF  
PUBLIC CONVENIENCE AND NECESSITY**

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This matter came before the Hearing Officer of the Tennessee Regulatory Authority (the "Authority" or "TRA") at a Hearing held on July 7, 2005, to consider the *Application for Certificate to Provide Competing Local Telecommunications Services* (the "*Application*") filed by UCN, Inc. ("UCN") on February 16, 2005. The *Application* requests the Authority to grant a certificate of public convenience and necessity to provide facilities-based and resold competing local telecommunications services, including exchange access telecommunications services, within the State of Tennessee.<sup>1</sup>

**Legal Standard for Granting Certificate of Public Convenience and Necessity**

UCN's *Application* was made pursuant to, and was considered in light of, the criteria for granting a Certificate of Public Convenience and Necessity ("CCN") as set forth in Tenn. Code Ann. § 65-4-201 (2004), which provides, in pertinent part:

(a) No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility,

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<sup>1</sup> UCN, Inc., formerly known as Buyers United International, Inc., currently has a certificate of authority to provide operator services and/or resold intrastate long distance telephone service in Tennessee. See TRA Dockets 02-01103 and 03-00244.

or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate . . .

\* \* \*

(c) After notice to the incumbent local exchange telephone company and other interested parties and following a hearing, the authority shall grant a certificate of convenience and necessity to a competing telecommunications service provider if after examining the evidence presented, the authority finds:

(1) The applicant has demonstrated that it will adhere to all applicable commission policies, rules and orders, and

(2) The applicant possesses sufficient managerial, financial, and technical abilities to provide the applied for services.

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(d) Subsection (c) is not applicable to areas served by an incumbent local exchange telephone company with fewer than 100,000 total access lines in this state unless such company voluntarily enters into an interconnection agreement with a competing telecommunications service provider or unless such incumbent local exchange telephone company applies for a certificate to provide telecommunications services in an area outside its service area existing on June 6, 1995.<sup>2</sup>

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<sup>2</sup> Notwithstanding the existence of subsection (d), the Federal Communications Commission ("FCC") has expressly preempted the Authority's enforcement of subsection (d) pursuant to the authority granted to the FCC under 47 U.S.C. § 253(d) *In the Matter of AVR, L.P. d/b/a Hyperion of Tennessee, L.P. Petition for Preemption of Tennessee Code Annotated Section 65-4-201(d) (2004) and Tennessee Regulatory Authority Decision Denying Hyperion's Application Requesting Authority to Provide Service in Tennessee Rural LEC Service Area*, FCC 99-100, (Memorandum Opinion and Order) 14 F.C.C.R. 11,064 (May 27, 1999), (Memorandum Opinion and Order) 16 F.C.C.R. 1247 (January 8, 2001). The Authority has since issued an order expanding a competing local exchange carrier's CCN to provide telecommunications services on a statewide basis including areas served by incumbent local exchange carriers with fewer than 100,000 total access lines in Tennessee. See *In re Application of Level 3 Communications, LLC to Expand its CCN to Provide Facilities-Based Local Exchange and Interexchange Telecommunications Services in all Tennessee Service Areas*, Docket No. 02-00230, Order Approving Application of Level 3 Communications, L.L.C. to Amend Its Certificate of Public Convenience and Necessity (June 28, 2002).

Furthermore, pursuant to Tenn. Code Ann. § 65-5-112 (2004), a competing telecommunications provider is required to file with the Authority (1) a plan containing the provider's plan for purchasing goods and services from small and minority-owned telecommunications businesses; and (2) information on programs that might provide technical assistance to such businesses.

### **The July 7, 2005 Hearing**

Pursuant to Tenn. Code Ann. § 65-4-204 (2004), public notice of the Hearing in this matter was issued by the Hearing Officer on May 16, 2005. No persons sought intervention prior to or during the Hearing. At the Hearing held on July 7, 2005, Ms Kimm Partridge, Corporate Secretary, participated in the Hearing and was subject to examination by the Hearing Officer. Upon UCN's conclusion of the presentation of its proof, the Hearing Officer granted UCN's *Application* based upon the following findings of fact and conclusions of law:

#### **I. UCN, Inc.'s Qualifications**

1. UCN is a corporation originally organized under the laws of the State of Delaware on March 15, 1999, and was qualified to transact business in the State of Tennessee effective August 11, 2004.

2. The complete street address of UCN's registered agent is National Registered Agents, Inc., 1900 Church Street, Suite 400, Nashville, Tennessee 37203. The complete street address of UCN's corporate office is 14870 Pony Express Road, Bluffdale, Utah 84065. The telephone number is (866) 541-0000 and the facsimile number is (866) 800-0007.

3. The *Application* and supporting documentary information existing in the record indicate that UCN has the requisite technical and managerial ability to provide

competitive access services and transport telecommunications services within the State of Tennessee. Specifically, UCN's senior management team possesses extensive business, technical, operational and regulatory telecommunications experience.

4. UCN has the necessary capital and financial ability to provide the services it proposes to offer.

5. UCN has represented that it will adhere to all applicable policies, rules and orders of the Authority.

## **II. Proposed Services**

UCN intends to provide facilities-based and resold competing local telecommunications services, including exchange access telecommunications services, within the State of Tennessee. The resold and facilities-based local exchange services UCN proposes to offer include business class loop connectivity and transmission, including 2-wire, 4-wire, DS-0, DS-1, DS-3 and OCn local loops necessary to connect customers to UCN's nearest point of presence.

## **III. Permitting Competition to Serve the Public Convenience and Necessity**

Upon a review of the *Application* and the record in this matter, the Hearing Officer finds that approval of UCN's *Application* would inure to the benefit of the present and future public convenience by permitting competition in the telecommunications services markets in the State and by fostering the development of an efficient, technologically advanced statewide system of telecommunications services.

**IV. Small and Minority-Owned Telecommunications Business Participation Plan and Business Assistance Program**

UCN has filed a satisfactory small and minority-owned telecommunications business participation plan, pursuant to Tenn. Code Ann. § 65-5-112 (2004) and the Authority's Rules.

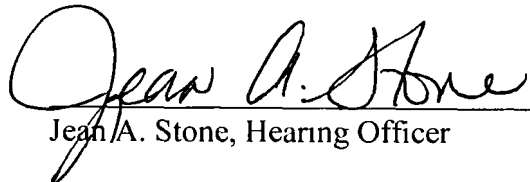
**V. Compliance with Tennessee's County-Wide Calling Requirements**

UCN has indicated its awareness of, and its obligation to comply with, the requirements of county-wide calling as set forth in Tenn Code Ann. § 65-21-114 (2004).

**IT IS THEREFORE ORDERED THAT:**

1. The *Application for Certificate to Provide Competing Local Telecommunications Services* filed by UCN, Inc. is approved; and

2 Any party aggrieved by the Hearing Officer's decision in this matter may file a petition for reconsideration within fifteen (15) days from and after the date of this Order.

  
Jean A. Stone, Hearing Officer